

LAFCO of Napa County

Local Agency Formation Commission

1804 Soscol Ave, Suite #205A
Napa, CA 94559-1346
(707) 259-8645
FAX (707) 251-1053
<http://napa.lafco.ca.gov>

AGENDA ITEM NO. 8b

June 12, 2003

TO: Local Agency Formation Commission

FROM: Daniel Schwarz, Executive Officer
Keene Simonds, Analyst

SUBJECT: Comprehensive Study of American Canyon: Service Review
Water Service Supplement - Update

In preparation for the Commission's May 8, 2003 meeting, staff issued a supplemental report on the City of American Canyon's current and future water supply (Agenda Item 8b). The supplemental report focused on the City's existing contracted water supply in relationship to projected water demands paired with projected cutbacks in entitlement deliveries. Subsequent to the release of the supplemental report, staff was contacted by representatives from American Canyon requesting that additional information be included in staff's analysis of the City's current and future water supply. As a result of staff's discussions with American Canyon's city manager and public works director on May 27 and June 4, the following clarifications and augmentations to the water service supplemental report are presented.

WATER SUPPLY

As noted on page 2 of the May 8 supplemental report, American Canyon's water supply agreement with the City of Vallejo provides the City with an annual entitlement drawn from Vallejo's potable water supply. Under its current purchase agreement with Vallejo, the City is entitled to a maximum day capacity of 1.0 million gallons, resulting in monthly and annual entitlement capacities of 57.14 and 628.6 acre-feet respectively. As part of this agreement, the City can purchase additional entitlement capacity from Vallejo up to 6.25 million gallons per day. If pursued, this would provide the City with monthly and annual entitlement capacities of 357.125 and 3,928.75 acre-feet. If American Canyon elects to purchase the maximum capacity permitted under its agreement with Vallejo, the City's contracted available water supply table identified on page 2 of the May 8 supplemental report would be adjusted as presented.

Harry Martin, Chair
Councilmember, City of Napa

Mike Rippey Vice-Chair
Supervisor, 5th District

Guy Kay, Commissioner
Representative of the General Public

Ken Slavens, Commissioner
Mayor, City of St. Helena

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Volker Eisele, Alt. Commissioner
Representative of the General Public

Lori Luporini, Alt. Commissioner
Vice-Mayor, City of American Canyon

Bill Dodd, Alt. Commissioner
Supervisor, 4th District

Daniel Schwarz
Executive Officer

American Canyon – Contracted Water Supply (acre-feet)			
Year	State Water Project	City of Vallejo	Total
2003	4,500	3,928.75	8,428.75
2004	4,600	3,928.75	8,528.75
2005	4,700	3,928.75	8,628.75
2006	4,750	3,928.75	8,678.75
2007	4,800	3,928.75	8,728.75
2008	4,850	3,928.75	8,778.75
2009	4,900	3,928.75	8,828.75
2010	4,950	3,928.75	8,878.75
2011	5,000	3,928.75	8,928.75
2012	5,050	3,928.75	8,978.75
2013	5,100	3,928.75	9,028.75
2014	5,150	3,928.75	9,078.75
2015	5,200	3,928.75	9,128.75*

- * Annual entitlements would continue at the 2015 level through 2035 when all SWP contracts are due to expire.

ADDITIONAL COMPONENTS

Reclamation:

As noted on page 8 of the May 8 supplemental report, American Canyon intends to alleviate potable water demands within its service area by providing reclaimed water to current potable water customers. The City's reclamation program is scheduled to be implemented in phases, beginning with "Phase One." Phase One is slated to begin later this year with services being provided to Green Island Vineyards followed by Hess Collection Wineries. Annual potable water demand for both customers currently averages approximately 120 acre-feet. Phase One will also include extending reclamation services to American Canyon Community Park, Donaldson Way School, and Napa Junction School. "Phase Two" will continue the expansion of reclaimed water service to current potable water customers within the City's service area, including agricultural users, schools, and public parks. Phase Two is scheduled to be completed by the end of 2006. The City anticipates implementation of both phases resulting in the annual savings of over 1,000 acre-feet of potable water; potable water conserved by reclamation will then be available and added to the City's potable water supply. A table from the City's *Wastewater Treatment and Reclamation Project Report (1997)* identifying potential recycled water customers and demands is attached.

St. Helena:

American Canyon is currently in the process of finalizing a long-term water supply agreement with the City of St. Helena. The agreement is expected to be completed by the end of the year and will provide the City with 1,000 acre-feet of additional SWP entitlement through 2025. This entitlement was originally purchased by St. Helena in 2000 as part of the Napa County Flood Control and Water Conservation District's water transfer agreement with the Kern County Water Agency.

Carryover Water Program:

A component of American Canyon's available water supply not included in the May 8 supplemental report involves the use of "carryover" water. Carryover water is entitlement water that has been authorized for delivery to a SWP contractor, but is stored in DWR facilities for use by the contractor for the next water year. This option is available to all SWP contractors upon approval by DWR and as long as excess capacity is available in the Department's storage facilities. This program enables participating contractors to carry over significant amounts of water, which lessens the impact of cutbacks in entitlement delivery during dry and drought periods. Although this water supply is difficult to quantify, the City has been able to continually make use of it. In 2003, the City's was able to apply carryover water to meet system demands through March.

Additional Water Supplies:

Additional water supplies available to American Canyon not included in the May 8 supplemental report include the use of "turn-back pool water" and "interruptible water." Operated by DWR, turn-back water is a form of an open market purchase involving SWP water made available for purchase by contractors who do not need their full entitlement each year. Interruptible water is excess SWP water made available during high runoff periods in the Sacramento-Bay Delta when water quality standards have been satisfied. Interruptible water is usually available to interested contractors between December and April and supplements existing contracted entitlements. Although this water supply is difficult to quantify, Napa County Flood Control and Water Conservation District notes that each of its local subcontractors have benefited from this water source every year since the program's inception in the early 1990s.

Conservation Programs:

American Canyon maintains a conservation goal of reducing potable water use among residential users by 25%. As part of this effort, the City requires all new development to use ultra low-flush toilets. In addition, the City provides financial incentives to existing customers to replace standards toilets with the water conserving toilets.

CORRESPONDENCE

Attached to this report is a letter sent on behalf of American Canyon by the city attorney. The letter was sent in response to the May 8 supplemental report. This supplement is meant, in part, to respond to those portions of the letter directed at issues of water use. Other issues raised in the letter will be addressed in future reports on the study. Staff has discussed the letter with the staff of American Canyon.

CONCLUSION

Since its incorporation in 1992, American Canyon has actively pursued securing additional water supplies to meet projected water demands within its service area. These efforts have resulted in the purchases of 628.6 acre-feet of annual entitlement from the City of Vallejo and 500 acre-feet of SWP entitlement from the Kern County Water Agency. In addition, the City maintains the right to increase its annual entitlement capacity from Vallejo up to 3,928.75

acre-feet. As noted, the City is currently negotiating a long-term water supply agreement with the City of St. Helena to purchase an additional 1,000 acre-feet of SWP entitlement. The potential addition of excess capacity from the Vallejo and St. Helena demonstrates a continued effort by the City to maintain healthy reserves for drought protection. Additionally, the City is able to augment its current contracted water supply by using carryover and interruptible water supplies generated by DWR. These additional supplies coupled with projected savings in potable water demand through the City's planned reclamation project reiterate two fundamental aspects of the statewide water system. First, water providers have many options to reduce the demand side of the equation, whether it be through the conversion of potable users to reclaimed water or through conservation measures. Second, excess water is typically available, even during dry years – the issue is how much that water will cost. Through its contract with Vallejo and its anticipated contract with St. Helena, American Canyon is seeking to secure additional supply at a fixed rate.